

Illinois Insurance

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Illinois Insurance is the official regulatory newsletter of the Illinois Department of Insurance, 320 West Washington Street, Springfield, IL 62767-0001; (217) 782-4515; TDD (217) 524-4872.

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Slave era insurance policies registry

Public Act 93-0333 (House Bill 2379), dealing with insurance policies from the slavery era, was signed by Governor Blagojevich on July 24, 2003, and became effective on January 1, 2004. The law requires any insurer licensed to do business in Illinois to research and report to the Department information regarding policies issued to slaveholders for death or damage of their slaves that the company wrote either directly or through a predecessor corporation during the slavery era. The Department is required to obtain the names of any slaveholders or slaves described in those insurance records and make the information available to the public and the General Assembly. The Department will collect this data and make it available on its website (www.ins.state.il.us).

The Department will issue a Company Bulletin to be sent to all licensed insurers in Illinois in order to expedite the collection of the required information. The Company Bulletin will establish reporting requirements that will closely mirror those used by California in 2001. Part I of the reporting requirements will elicit company information, including contact information, whether the

law is applicable to the company, and how the company determined applicability. Part II of the reporting requirement will apply only to companies with records in their possession relating to insurance policies issued to slaveholders that provided coverage for damage to or death of their slaves. Those insurers must submit information regarding the names of slaves, names of slaveholders, the name of any beneficiary or policyholder, the county (or parish) and state of issuance, and any other identifying information. The information will be organized in an electronic spreadsheet that will be available on the Department's website Welcome Page.

We anticipate the Company Bulletin to be mailed no later than February 28, 2004.

Any questions regarding the law or the report should be directed to: Mary Petersen, Insurance Compliance Analyst, Illinois Department of Insurance, 320 W. Washington Street, Springfield, IL 62767; phone 217/785-5987; fax 217/558-2083; or Mary_Petersen@ins.state.il.us.

A copy of the law is available at www.legis.state.il.us. ♦

Department rules review

The full text of Department rules is printed in the *Illinois Register* published weekly by the Illinois Secretary of State's Index Department, 111 E. Monroe St., Springfield, IL 62756. Subscriptions are available from that source for an annual fee of \$290. Issue numbers and a Department contact person are listed below after each rule summary.

Some rules are posted on the Department's website at **www.ins.state.il.us**. Adopted rules are codified in Title 50 of the Illinois Administrative Code. For questions concerning the availability of Department rules, contact Denise Hamilton at 217/785-8560.

Rule 919 (Improper Claims Practices) was amended December 26, 2003, to extend the compliance date for Section 919.50(d) to July 1, 2004. In July of 2002, the Department adopted various amendments to this Part including an amendment that added Section 919.50(d). Prior to the adoption of these amendments, much discussion occurred between the Department and interested parties who firmly maintained that the financial impact of implementing the provisions of Section 919.50(d) would be very costly. In an effort to ease the financial burden immediate compliance with Section 919.50(d) would have caused, the Department agreed to incorporate a specific compliance date for this Section giving the insurance industry one year to make the transition.

Since that time, the Department has been compiling information concerning this entire process while conducting field examinations pursuant to Section 132 of the Illinois Insurance Code [215 ILCS 5/132]. The Department is analyzing this information and

needs to further evaluate whether the current regulation should be amended. At this time, given the expenses involved to achieve compliance with Section 919.50, the Department is moving the July 1, 2003 compliance date to July 1, 2004. (Vol. 27, #52; Dale Emerson)

Part 1411 (Universal Life Insurance) was amended January 9, 2004, to adopt the National Association of Insurance Commissioners' (NAIC) Universal Life Insurance Model Regulation. The rule will supplement the Department's existing regulations on life insurance policies with standards and requirements specifically applicable to all individual and group universal life insurance policies except variable universal life policies. The rule establishes minimum standards for reserve valuation and cash surrender values and mandatory policy provisions, including a periodic policy status report to the policyowner or group certificateholder. (Vol. 28, #2; Arlene Howard)

Part 2410 (Administrative Dissolutions or Withdrawal of Statutory Deposit) was amended November 7, 2003, to implement Public Act 92-0075, which authorizes the Director to return the statutorily required deposit of securities to an insurance entity in connection with an administrative dissolution or withdrawal. This Part sets forth the procedural and filing requirements that insurance entities must follow when requesting administrative dissolution or withdrawal of their statutory deposit. This process will help eliminate the uncertainty regarding the dissolution of insurance entities and release of their statutory deposits. (Vol. 27, #45; Etta Mae Credi) ♦

Producer contract terminations

The Illinois Insurance Code prohibits an insurance company from terminating a policy of property & casualty insurance on the grounds the producer's contract has been terminated (215 ILCS 5/141.01). In addition, 215 ILCS 5/141.02 gives the insurance producer the right of renewal for one policy period following termination of the producer's contract from the company. Upon the expiration of this one-time policy renewal, the policyholder will either be assigned to an in-house account or another producer contracted with the insurance company, provided the policyholder continues to meet the insurance company's underwriting guidelines.

The Department of Insurance is aware that some insurance companies continue to send out renewal policies to policyholders that show the terminated insurance producer as the producing agent. This is erroneous information. Insurance producers have brought to the Department's attention that this practice could lead to E & O claims as the former producer lacks the ability to properly service the policy. In addition, the producer does not receive any commission for any policyholder service needs. Insurance companies are advised to institute procedures to ensure the insurance company lists the proper insurance producer on contract renewals. This, in turn, will allow policyholders to contact the proper producer for future policyholder service needs on policies where the producer has been terminated. ♦

Hearings

Scheduled Hearings:

Isaiah T. Branch
Hearing No. 04-HR-6
Denial of licensing authority 3/18/04

Henry Gritz
Hearing No. 4128
Revocation of licensing authority
3/31/04

Darren J. Huffman
Madison Mutual Insurance Co.
Hearing No. 04-HR-73
Cancellation 2/25/04

Darren W. Kesselring
Hearing No. 4116
Suspension of licensing authority
2/24/04

Peoplease Corporation
PLC Services, Inc.
Hearing No. 4124
Suspension of licensing authority
3/16/04

Chris Schroeder
State Farm Insurance Company
Hearing No. 04-HR-114
Cancellation 3/10/04

Yvonne Spear
Hearing No. 03-HR-0939
Revocation of licensing authority
2/26/04

Samuel J. Trigillo
Hearing No. 04-HR-29
Revocation of licensing authority
3/03/04

United Security Life Insurance Co.
Hearing No. 04-HR-22
Form A 2/23/04

Settled Without Hearing:

Juanita Charlton
State Farm Insurance Company
Hearing No. 4120
Dismissed 1/08/04

Kevin B. Dermody
Hearing No. 4125
Dismissed 12/22/03

Sarah Feinstein
State Farm Insurance Company
Hearing No. 4126
Dismissed 1/08/04

John Alden Life Insurance Company
Hearing No. 4031
Dismissed 1/28/04

Donald Patterson
State Farm Fire & Casualty Co.
Hearing No. 04-HR-26
Dismissed 1/22/04

UNIMED
Professional Liability Ins. Co., Ltd.
PLIC Claims Management, Inc.
Medical Risk Associates, R.P.G., Inc.,
and/or Medical Risk Associates,
R.P.G. Ltd.
Classic Insurance Services, Ltd.,
and/or Vincent T. Lovelle
Hearing No. 4090
Stipulation and consent order
12/16/03

Completed Hearings:

Czimer's Game and Sea Foods, Inc.
Cincinnati Insurance Company
Hearing No. 4109
Cancellation effective 1/08/04

Dorothy Fiedler
Chubb Group Insurance Companies
Hearing No. 4105
Nonrenewal effective 12/11/03

Giglionia Gonzales
Hearing No. 4102
Licensing authority revoked 1/29/04

Laura L. Grantland-Sawka
Hearing No. 4048
Licensing authority revoked 12/02/03

Homes James, Inc.
Northland Insurance Company
Hearing No. 4113
Cancellation effective 12/16/03

Nations Hazard Insurance Co.
Nations Hazard Insurance Agcy.
Michael F. Napadow
Stephen C. Napadow
Jeffrey Michale Napadow
Hearing No. 4087
Cease and desist made permanent
12/10/03

Mr. and Mrs. Charles Rayburn
Cambridge Fire Insurance Co.
Hearing No. 4119
Nonrenewal effective 1/05/04

Harold G. Robinson
Hearing No. 4050
Licensing authority suspended until
Illinois Income Tax Act is complied
with 12/16/03

Anthony J. Sarris
Hearing No. 4068
Original order of denial affirmed
1/12/04

Robert E. Schnelle
Hearing No. 4043
Licensing authority revoked
12/16/03

Stephen R. Sears
Hearing No. 4054
Order of revocation previously
issued rescinded; civil forfeiture to
be paid 1/08/04

Larry J. Shelton
Pekin Insurance Company
Hearing No. 4108
Hearing held; proceeding dismissed
1/13/04

South Town Apostolic Church
Rev. James Gordon
Argonaut Great Central Ins. Co.
Hearing No. 4129
Cancellation of auto policy
sustained and effective; cancellation
of workers comp policy rescinded
2/03/04

Wesley Taylor
State Farm Insurance Company
Hearing No. 4094
Cancellation effective 12/16/03

Steven B. Terrell
Hearing No. 4106
Licensing authority suspended until
Tax Act is satisfied 1/16/04

Michael D. Wood
Hearing No. 4110
Licensing authority revoked
1/26/04 ♦

Producer regulatory action

(Copies of regulatory orders are available upon written request to the Producer Regulatory Unit, for \$1/page. The number of pages are indicated in parentheses following the effective date.)

Suspensions

Curtiss P. Bibbs IV
7758 South Prairie Avenue
Chicago, IL 60619
Effective 12/06/03 (2)

Harold E. Robinson
PO Box 848
Park Forest, IL 60466
Effective 12/16/03 (10)

Steven D. Terrell
8936 South Essex Avenue
Chicago, IL 60617
Effective 1/16/04 (7)

Suspension Lifted

Ernestine Butts
15719 Dante
South Holland, IL 60473
Effective 1/22/04 (3)

Luis Dominguez
2535 East 106th Street
Chicago, IL 60617
Effective 12/15/04 (4)

Robert W. Harkins II
10320 South Mason Avenue, #1
Oak Lawn, IL 60453
Effective 10/29/03 (3)

Lawrence E. Selcke
507 South Main Street
Benton, IL 62812
Effective 11/18/03 (3)

Denial of Producer License

Anthony J. Sarris
240 Riverwoods Drive
New Hope, PA 18938
Effective 1/12/04 (13)

Robert C. Thompson
16650 Prince Drive
South Holland, IL 60473
Effective 1/22/04 (4)

Stipulation and Consent Order-Civil Forfeiture Paid

James T. Carroll
1427 Forest Avenue
River Forest, IL 60305
Effective 10/10/03 (3)

Nader Musa
4458 West Washington
Belleville, IL 62226
Effective 10/10/03 (5)

Jayantibhai R. Patel
1630 Percy Lane
Itasca, IL 60143
Effective 1/13/04 (3)

Revocation of Producer License

Kevin B. Dermody
510 Clearwater Lane
Oswego, IL 60543
Effective 12/22/03 (9)

Gigliola Gonzales
8165 South Tripp Avenue
Chicago, IL 60652
Effective 1/29/04 (10)

Laura Sawka-Grantland
19529 Manchester Court
Mokena, IL 60448
Effective 12/02/03 (10)

Antonio F. Sandoval
5615 North Kimball Avenue
Chicago, IL 60659
Effective 1/17/04 (2)

Robert E. Schnelle
1703 North Gilbert
Danville, IL 61832
Effective 12/16/03 (10)

John W. Snyder
5375 Mariners Cove Drive, #105
Madison, WI 53704
Effective 1/18/04 (5)

Snyder General Agency, Inc.
6000 Gisholt Drive, Suite 106
Madison, WI 53716
Effective 1/18/04 (5)

Michael D. Wood
805 West Highway 50
O'Fallon, IL 62269
Effective 1/26/04 (9)

Voluntary Revocation

Teresa A. Caine
806 Apple Gate Court
Arnold, MO 63010
Effective 1/14/04 (1)

Donald R. McDaniels
521 A Gillham, Apt. A
Troy, IL 62294
Effective 12/12/03 (1)

Director's Order

Stephen R. Sears
8018 Cloverdale Lane
Rockford, IL 61107
Effective 1/08/04 (21) ♦

COMPUTER DATA REQUEST FORM

**Mail To: Public Sales Coordinator
Information Systems Section
Illinois Department of Insurance
320 West Washington Street, 4th Floor
Springfield, Illinois 62767-0001**

The information available from the Illinois Department of Insurance, pursuant to 215 ILCS 5/408.2, is listed below.
For assistance call the Public Sales Coordinator at (217) 524-0605 – TDD (217) 524-4872, or e-mail suzann_rhodes@ins.state.il.us.
See also the Department's Internet Site at <http://www.ins.state.il.us>

- Instructions:**
- All sales are final. The Department does not have refund authority.
 - This form must be completed entirely before requests can be processed or mailed.
 - Payment must be received before requests can be processed or mailed.
 - The Department of Insurance will supply IBM-compatible tapes for any tape data set requested.
—Customer must specify 9 track 1600 or 6250 BPI.
 - The Department of Insurance will supply IBM-compatible diskettes for any diskette data set requested.
—Customer must specify density of diskette desired.
—Customer must specify comma delimited or non-delimited ASCII format.
 - Return completed request form with your check made payable to **Director of Insurance/SSRF** at the above address.

Data Requested:

Amount Enclosed:

Diskette size: 3.5" **Density:** ☐ LOW ☐ HIGH **Data Type:** ☐ Comma Delimited ☐ Non-Delimited

The undersigned hereby agrees that any data received as a result of this request will not be resold, reconveyed or otherwise transferred—for cash, merchandise or any consideration or thing of value—to any individual, corporation, association or other third party.

Requestor's Signature:

Date Signed:

(Area Code) Phone:

Mail Request to:

FEIN / SSN:

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City & State:

Zip:

PRICE SCHEDULE—Effective October 20, 2003

Licensee Data

Business Entity Licenses	\$600 /list/diskette
Business Entities from Upstate (zips 60000–60828)	\$300 /list/diskette
Business Entities from Downstate (zips 60829–62999)	\$300 /list/diskette
Applicants passing exams	\$100 /list/diskette (semi-monthly)
All producers or producers with specific authority	\$600 /diskette, \$1,000/list
Producers from Upstate (zips 60000–60828)	\$300 /diskette, \$500/list
Producers from Downstate (zips 60829–62999)	\$300 /diskette, \$500/list
Producers from 10 zip codes	\$150 /list/diskette
Premium Finance, Public Adjuster QR Surplus Lines licensees	\$100 /list/diskette
Third Party Administrators, Preferred Provider Administrators, and Third Party Prescription Program licensees/registrants	\$100 /list/diskette

Complaint Data

Non-confidential standard report (complaints by company, coverages or reasons)	\$200 /report
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Insurer Data

Company name, address, phone and authority (all companies)	\$100 /list/diskette, \$200 labels
Company name, president, address and phone (all companies)	\$100 /list/diskette, \$200 labels
HMO Company name, address, phone and county service area	\$ 25 /list/diskette
Managed Care Organization name, address and phone	\$100 /list/diskette
A&H Company FEINs, address and phone	\$100 /list/diskette
Licensed insurers and accredited/approved reinsurers (available only to companies)	\$100 /list/diskette
Company name, address and phone for Worker's Compensation	\$100 /list/diskette

Police/Fireman Pension Data

Fund name and address (all Funds)	\$100 /list/diskette, \$200 labels
Participant data for a Fund (available only to Fund)	\$100 /diskette

Homeowner/Residential Fire Policy Counts

Raw data through 1995	\$200 /diskette (quarterly)
Raw data after 1995	\$600 /diskette (annually only)
Zip Code Market Share Report	\$400 /report
Company Detail Report for Chicago & East St. Louis through 1995 (new, renewal, non-renewal and cancellation by zip)	\$200 /report (quarterly)
Company Detail Report for Chicago and East St. Louis after 1995 (new, renewal, non-renewal and cancellation by zip)	\$600 /report (annually only)

ALL SALES FINAL. THE DEPARTMENT DOES NOT HAVE REFUND AUTHORITY.

Exam reports filed

Market Conduct

GEICO
12/12/03
Badger Mutual
12/15/03
American Service
1/08/04
Founders Insurance
1/09/04 ♦

Flood insurance seminars scheduled

The National Flood Insurance Program and the Illinois FAIR Plan Association are offering seminars for Illinois insurance producers on the following dates. Individuals can earn seven (7) continuing education hours for completing both courses.

Dates and Locations for 2004

Springfield May 18
Belleville May 19
Bourbonnais May 20
Schaumburg May 25
Naperville/Lisle May 26

Registration Fees & Agenda

Flood Seminar-\$35 (4 CE hrs):
Registration 8:00 am-8:30 am
Seminar 8:30 am-12:30 pm

FAIR Plan Seminar-\$25 (3 CE hrs):
Registration 1:00 pm-1:30 pm
Seminar 1:30 pm-4:30 pm

Both seminars, same day-\$50

For registration, directions or more information, contact the Professional Independent Insurance Agents of Illinois at 217/793-6660, fax 217/793-6744, or check their website at: www.piaai.org.

Illinois Department of Insurance
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Springfield, Illinois 62767

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